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TIME DEFINITIONS

T=0 - PRESENT TIME

T=0+1 - TIME INTERVAL RANGING FROM 3 SECONDS TO 3 MINUTES TO ALLOW COMMUNICATION TO AND AUTHORIZATION FROM CARD ISSUER'S AUTHORIZATION SYSTEM

T=0+1+THAT NIGHT-TIME BETWEEN 12AM-2AM FOLLOWING TRANSACTION CONDUCTED DURING T=0+1

T=26,27,28,29—TIME DURING WHICH CUSTOMER
FILE ACCOUNT INFORMATION IS UPDATED FOR
SPECIAL ITEMS INCLUDING INTEREST POSTING,
PROMOTION AND BENEFITS POSTING, STATEMENT
CREATION AND MAILING SPECIFICS DEFINED IN CARD
HOLDER AGREEMENT

FIG. 1A

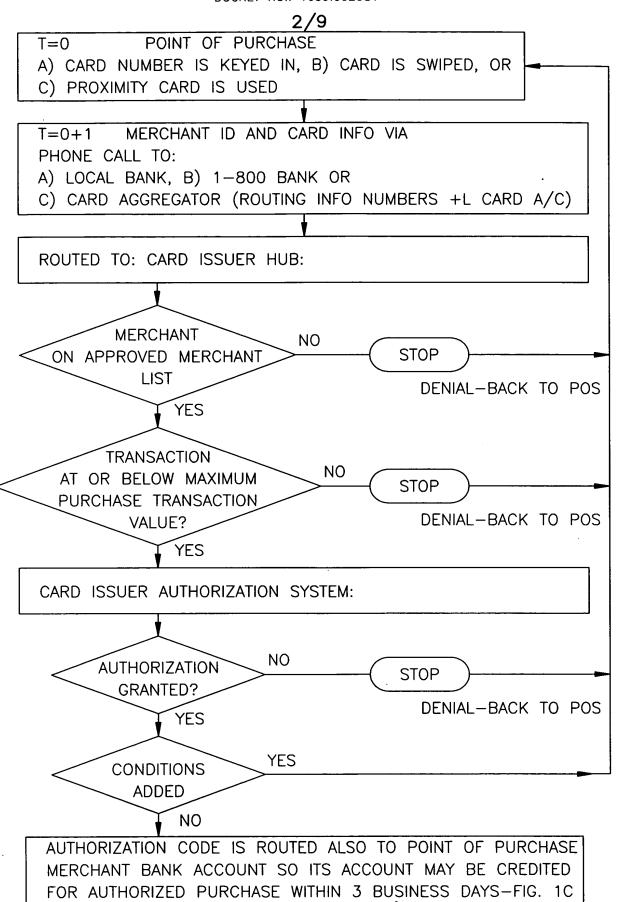


FIG. 1B

INVENTORS NAME: Harry Duke DOCKET NO.: 1639.002US1

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CARD ISSUER AUTHORIZATION STEPS

INCOMING PURCHASE REQUEST ROUTED TO CARDHOLDER ACCOUNT DATA FILE

IF "OPEN TO BUY" HAS A POSITIVE VALUE AFTER PURCHASE AMOUNT IS ADDED, THEN PURCHASE IS AUTHORIZED & DEBIT IS PLACED ON OPEN TO BUY FILE (SEE FIG. 1B)

AUTHORIZATION CODE CONTAINS:

UNIQUE AUTHORIZATION CODE & 1 OF 3 CODES:

- A) FREE AND CLEAR—PURCHASE IS AUTHORIZED
- B) SUSPECTED FRAUD—CALL POLICE & CONFISCATE CARD
- C) SUSPECTED FRAUD-HAVE CUSTOMER CALL CARD ISSUER CUSTOMER SERVICE

B & C ARE IN PLACE TO CONSIDER ACTIVITY IN DIFFERENT GEOGRAPHIC LOCATIONS, AT THE SAME TIME, SUCH AS ZURICH TRAVELER MAKING PURCHASE VIA INTERNET IN ZIMBABWE

FIG. 1C

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## T=T+0+THAT NIGHT

- 1. PAYMENTS RECEIVED DURING THE DAY ARE BATCHED AND CREDITED TO CARD ISSUER'S HOLDER ACCOUNT USING 10-DIGITS TO DETERMINE ACCOUNT.
- 2. INTEREST, FEES & ADJUSTMENTS THAT ARE NOT SUBJECT TO BEING POSTED ON T=26,27,28,29 ARE BATCHED & EITHER DEBITED OR CREDITED TO CARD ISSUER'S HOLDER ACCOUNT, AGAIN USING 10-DIGITS TO DETERMINE ACCOUNT. CREDIT INCREASES OPEN TO BUY FILE AND A DEBIT REDUCES OPEN TO BUY FILE.

## FIG. 1D

## T=26,27,28,29

- 1. INTEREST IS CALCULATED AS A FUNCTION OF AVERAGE DAILY BALANCE X INTEREST RATE CONTAINED IN CARD HOLDER ACCOUNT FILE. CALCULATED INTEREST IS POSTED TO 10 DIGIT ACCOUNT AS DEBIT, OR A REDUCTION TO OPEN TO BUY FILE. ALL OTHER FEES, ADJUSTMENTS ARE CALCULATED & POSTED SIMILARLY.
- 2. STATEMENT OF ACCOUNT ACTIVITY IS CREATED, PRINTED AND MAILEDOR EMAILED TO ACCOUNT HOLDER.
- 3. DELINQUENCIES ARE BATCHED AND FORWARDED TO COLLECTIONS DEPARTMENT FOR APPROPRIATE FOLLOW—UP.

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INTEREST BEARING GIFT CARD WORKS AS AN ISOMER OF AN AVAILABLE CREDIT CARD TODAY:

- 1. FUNDS ARE PROVIDED UP FRONT TO SERVICE PURCHASE TRANSACTIONS
- 2. INTEREST, DEFINED AS PART OF CARD HOLDER AGREEMENT, IS CALCULATED ON A T=26,27,28,29 DAY CYCLE & POSTED TO OPEN TO BUY FILE AS A CREDIT, OR AS AN INCREASE IN CARD HOLDER'S ACCOUNT VALUE.

## FIG. 1F

CARD IS SWIPED
MAGNETIC STRIP CONTAINS:

- T1 A) 6 DIGIT ROUTING NUMBER AND 10 DIGIT ACCOUNT NUMBER FOR VISA, MASTERCARD, DISCOVER ISSUERS. AMERICAN EXPRESS USES 15 DIGIT ROUTING/ACCOUNT NUMBER
- T2 B) CARD EXPIRATION DATE
- T3 C) CARD HOLDER NAME
  ADDITIONAL INFORMATIONAL STRIPS TO PROVIDE
  ENCRYPTED SECURITY INFORMATION TO CARD ISSUER

PROXIMITY CARD—CARD SUCH AS AMERICAN EXPRESS BLUE CARD, WHICH CONTAINS A COMPUTER CHIP THAT CONTAINS THE ABOVE INFORMATION AND REQUIRES A SPECIAL READER. USED PRIMARILY FOR INTERNET PURCHASES.

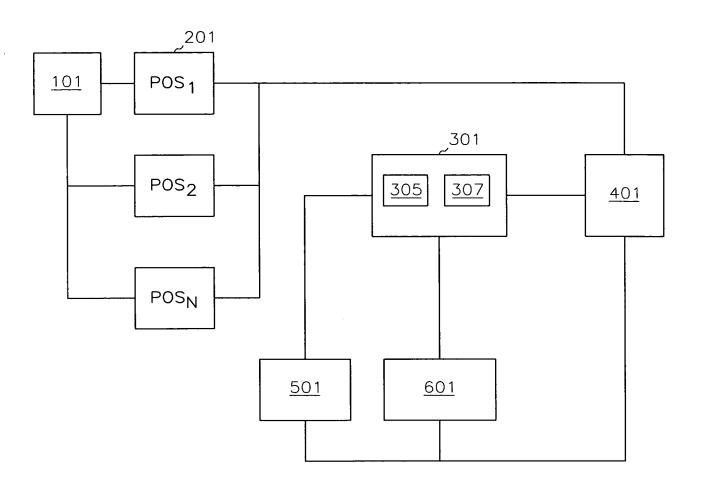


FIG. 2

INVENTORS NAME: Harry Duke DOCKET NO.: 1639.002US1

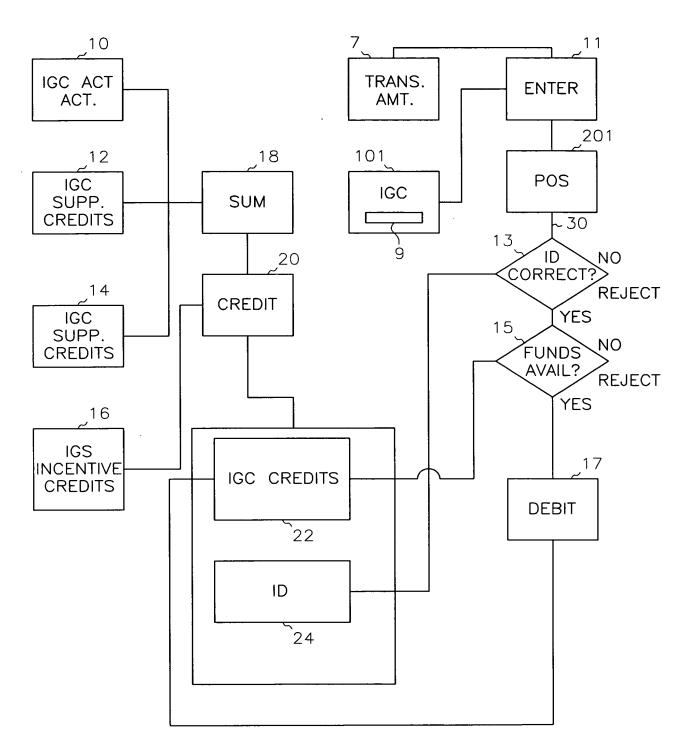


FIG. 3

INVENTORS NAME: Harry Duke DOCKET NO.: 1639.002US1

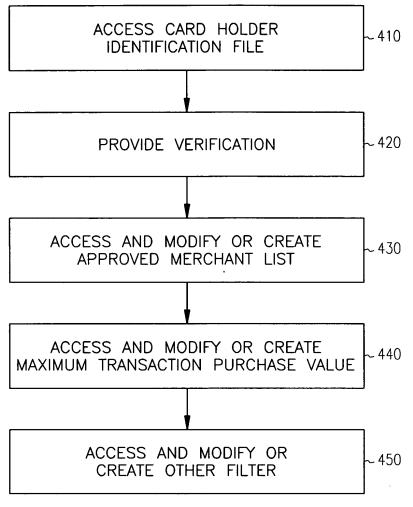


FIG. 4

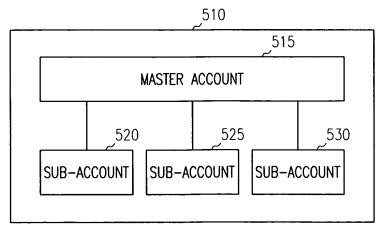


FIG. 5

INVENTORS NAME: Harry Duke DOCKET NO.: 1639.002US1

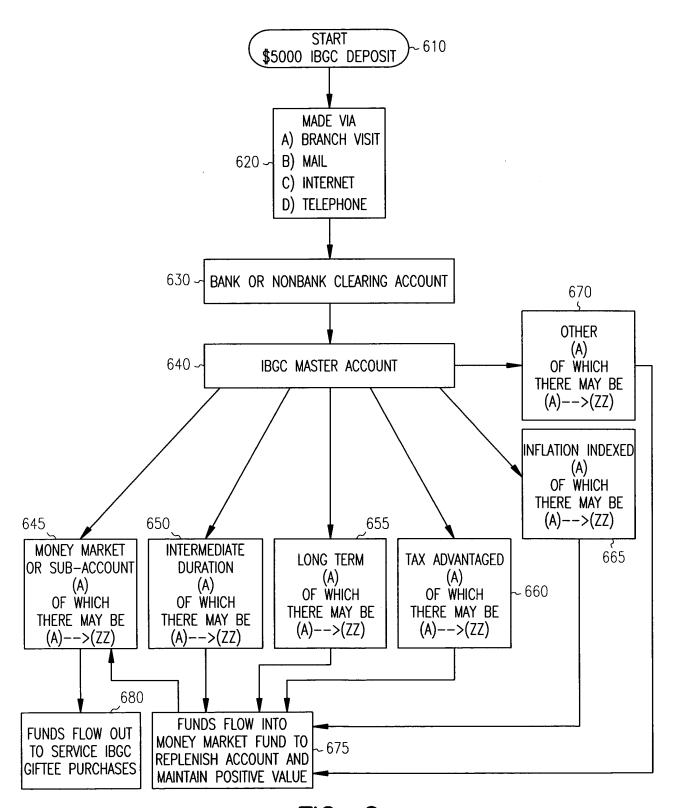


FIG. 6